

Increased taxes were not a solution in 1993, and they will not be a solution in the future.

Last year, Republicans proposed to preserve, protect and strengthen the Medicare program. We worked hard to put together a balanced proposal that did not cut Medicare but slowed the rate the cost of the program was expected to grow. Under our plan that was approved by Congress, annual per beneficiary Medicare spending would have increased from average spending of \$4,800 in 1995 to more than \$7,200 in 2002.

Under the original Senate Balanced Budget Act as reported out of Finance Committee, the Medicare program would have remained solvent for about 18 years. According to the CBO estimates, under our proposal, the Medicare HI Trust Fund balance would have totaled \$300 billion in 2005. The CBO stated, the HI Trust Fund would meet the Trustees' test of short-range financial adequacy." In other words, for the next 10 years, the HI Trust Fund balance, at the end of every year, would have been more than enough to pay Medicare benefits for the following year.

More importantly, using the CBO's estimates through 2005, our Finance Committee staff, in consultation with the Office of the Actuary within the Department of Health and Human Services, estimated that the Medicare HI Trust Fund would have been solvent through about the year 2020. That would have meant 10 years after the baby-boom generation begins to retire a quarter of a century from today.

We need to preserve and protect the Medicare program. We need to make sure we leave a solid legacy for the next generations. The demographics and the predictions of cost growth confirm that the program is not sustainable. It is no longer time for rhetoric, but time for action. Playing politics with Medicare is simply wrong. Putting off what needs to be done is the cruelest tactic.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask unanimous consent that I be allowed to proceed as in morning business.

The PRESIDING OFFICER. The Chair advises the Senator that we are in morning business for statements of up to 10 minutes.

#### MEDICARE

Mr. REID. Mr. President, there have been a number of speeches made today by colleagues on the other side of the aisle about Medicare. I ask the American public to understand the opposi-

tion to Medicare, as a program. For example, I wonder if those same Senators who talk about how they were rallying to help Medicare would recognize that just last year, late in the year, the majority leader of the Senate, Senator DOLE said, "I was there fighting the fight against Medicare, one of 12, because we knew it would not work in 1965." On that same day, at another place in Washington, a speech was given by the Speaker of the House, where he said, "Now, let me talk about Medicare. We don't get rid of it in the first round because we don't think it would be politically smart. We believe it's going to wither on the vine." We have another leader in the House of Representatives, the majority leader, DICK ARMEY, a Congressman from Texas, who is second in command in the House of Representatives. He said, "Medicare has no place in the free world. Social Security is a rotten trick. I think we are going to have to bite the bullet on Social Security and phase it out over time."

This is where they are coming from. The Republican leadership does not like Medicare. Look at what Haley Barbour said: "This is manna from Heaven." The Republican National Committee chairman was responding to the Medicare trustees' report that was released when the Republicans were looking for a way to justify their scheme to cut Medicare. "This is manna from Heaven"—the fact that the Medicare trust fund is in trouble.

The fact of the matter is, Mr. President, we have had Medicare for some 27 years, and there have only been 2 years where in the annual report of the trustees it has indicated that Medicare is in trouble. The reason for that, of course, is that Medicare is a pay-as-you-go system. Every year, the trustees have said, "You have to do something to take care of Medicare," and we do. One of the things we recently did, in 1993—all the Democrats did it, and we did not get a single Republican vote—is we extended the solvency of the trust fund for 3 additional years.

There is a lot of work that we need to do to take care of Medicare. Medicare is a tremendous program. In the early 1960's, less than 40 percent of the American senior citizens had some type of health insurance. Today, almost 100 percent—over 99 percent—of senior citizens have health insurance. The reason they have health insurance is because of Medicare.

Of course, there are things we need to do with Medicare. For people to stand, though, with a straight face and say, "We are not cutting Medicare; all we are doing is cutting the rate of increase," certainly does not answer the question. We have thousands of people coming on the rolls—thousands and thousands of people—every week in the United States. People are living longer. During that period of life extension, they need additional health and medical care. Medicare has been a boon to these senior citizens in their older years to take care of that.

We need money to do that. If you use the argument that has been used by my colleagues on the other side, where, in effect, Mr. President, they are saying, "This is not a cut; we are only cutting the rate of increase," well, if that is a fact, we keep hearing on the Senate floor all the time about defense funding, defense forces. They talk about this increase that we are getting, and that a 5-percent increase is really a decrease in defense spending. Well, that same argument then would certainly apply to Medicare, a nominal funding increase of \$1,653 a person. But the fact of the matter is that the purchasing power is at a loss of about \$1,000.

So let us talk realistically. The fact that you raise the dollars does not mean in fact that you increase the ability of people to purchase. In fact, it is quite to the contrary.

We know that the Speaker wants Medicare to wither on the vine. The majority leader in the Senate was glad that he voted against it in 1965 because he said he knew it would not work—some 30 years ago.

Well, we are willing to take care of the problems in Medicare. In the budget submitted by the President there is an extension of the problems with Medicare. There are a lot of things that we need to do, and we can do those. But the one thing that we cannot do is continue this Presidential debate and in the process damage the image of Medicare. Medicare has billions and billions of dollars in the trust fund today. Those trust fund dollars will continue to be there for the foreseeable future. We have to, as we have in years gone by, change certain things, and we are going to do that. But we are going to have to wait, it appears, until the Presidential election season is over before we can constructively take care of the problems with Medicare.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, I ask unanimous consent to proceed as in morning business for 15 minutes.

The PRESIDING OFFICER. The Chair advises the Senator that we are in a period for morning business with Senators allowed to speak for up to 10 minutes.

Mr. GREGG. I thank the Chair.

#### MEDICARE

Mr. GREGG. Mr. President, I want to talk a little bit about Medicare, which I know has been discussed by other Members on the floor, and specifically about the Medicare trustees' report which I know has also received a fair